

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 822 - SB 1249

March 27, 2009

SUMMARY OF BILL: Prohibits the distribution of state funds to any person or business that discriminates on the basis of race, ethnicity, or color. Requires any person or entity that receives state funds for services rendered to state to provide confirmation in writing, at least once per year, indicating that such person or entity does not discriminate on the basis of race, ethnicity, or color.

ESTIMATED FISCAL IMPACT:

On February 20, 2009, we issued a fiscal note for this bill indicating an *increase to state expenditures of \$43,200* per year. On March 20, 2009, we received additional information from the Department of Human Services. Based on this additional information, the fiscal impact of the bill is estimated as follows:

(CORRECTED)

**Increase State Expenditures – \$75,000/One-Time
\$49,600/Recurring**

**Increase Federal Expenditures – \$75,000/One-Time
\$6,400/Recurring**

Assumptions:

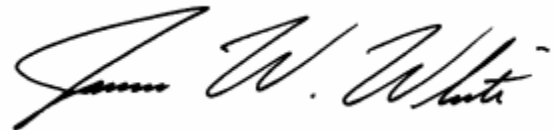
- Based on information provided by the Department of General Services, this bill would increase departmental workload equal to the equivalent of one additional position. The person filling this position would be responsible for monitoring the receipt of approximately 3,000 attestation statements each year. The increase to state expenditures associated with the one additional position is estimated to be \$43,200 per year (\$25,400 salary, \$14,300 benefits, \$3,500 other).
- According to the Department of Human Services (DHS), the Department processed approximately 700,000 payments for purchases from approximately 43,700 vendors during FY07-08.

HB 822 - SB 1249 (CORRECTED)

- Fifty percent of DHS expenditures are paid with state funds; the remaining 50 percent are paid with federal funds.
- DHS indicates that overtime will be incurred in the Office Services Division, the Contract Management Division, and the Fiscal Services Division for gathering, coordinating, and posting of attestation statements to applicable database systems. The associated increase to recurring expenditures is estimated to be \$12,800 per year (\$6,400 state funds; \$6,400 federal funds).
- The total increase to recurring state expenditures is estimated to be \$49,600 per year (\$43,200 + \$6,400 = \$49,600).
- DHS indicates that the Department will incur additional one-time expenditures for modifications to three computer systems [the Tennessee Rehabilitation and Case Tracking System (TRACTS), the Disability Determination System (Versa), and the Child Car Management System (TCCMS)]. Such one-time increase to expenditures is estimated to be \$150,000 (\$75,000 state funds; \$75,000 federal funds).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc